

Item 16 – Resolution to adopt a long-term performance-based share savings programme for the group’s senior executives and other key employees (LTIP 2025)

The Board of Directors’ of Hexatronic Group AB (publ) (the “Company”) proposal that the Annual General Meeting resolves on (A) the adoption of a performance-based share savings programme (“LTIP 2025”) directed to the group’s (the “Hexatronic Group”) CEO and the management team, other senior executives and other key employees, and (B) directed issue of convertible shares of series C, authorisation for the Board of Directors to resolve on repurchases of all issued redeemable and convertible shares of series C and approval of transfer of own ordinary shares to participants. The resolution items (A) and (B) are mutually conditioned by each other and are resolved upon as one resolution.

A. Introduction of LTIP 2025

The Board of Directors of the Company proposes that the Annual General Meeting resolves to adopt a long-term incentive programme in the form of a performance-based share savings programme directed to the Hexatronic Group’s CEO and the management team, other senior executives and other key employees (“**Participants**”). LTIP 2025 is proposed to include a maximum of thirty (30) Participants. Participants in LTIP 2025 must have contributed a private investment through the acquisition of shares in the Company (“**Saving Shares**”). Subsequently, after a three-year vesting period commencing on the date of entering into an agreement to participate in LTIP 2025 (the “**Vesting Period**”), Participants will be given the opportunity to receive ordinary shares free of charge (“**Performance Shares**”), subject to the main terms and conditions set forth below. Within the LTIP 2025, the Company will award Participants conditional share rights (“**Share Rights**”), meaning the right, subject to certain conditions being met, to receive up to six (6) Performance Shares per Share Right free of charge.

Background

The objective of the proposed incentive programme is to create a programme that encourages senior executives and other key employees within the Hexatronic Group to build a significant shareholding in the Company through private investment over the next few years, thereby strengthening the bond between senior executives and other key employees and the Company and aligning the interests of management with the shareholders. The Company’s Board of Directors is of the opinion that a performance-based share savings programme contributes to a higher commitment among employees and strengthens the bonds between the employees and the Company and rewards employees’ continued loyalty and thereby the long-term value growth of the Company. Furthermore, it is the Board’s assessment that LTIP 2025 will contribute to the opportunities to recruit and retain knowledgeable and experienced employees who hold key positions in the Hexatronic Group and are expected to increase employee interest in the business and earnings development in the Company. All in all, it is the Board’s assessment that LTIP 2025 will benefit both the employees and the Company’s shareholders through an increased share value.

Private investment

In order to participate in LTIP 2025, the Participant must have contributed with a private investment through the acquisition of Saving Shares. The shares shall have been acquired at market prices during the period between 12 May 2025 and 31 May 2025 for the purpose of being allocated to LTIP 2025, unless the Board of Directors allows exceptions in the individual case regarding shares previously acquired. The Board of Directors also has the

right to thereafter, for individual additional Participants (new employees or promoted), postpone the last day for the acquisition of Savings Shares (see more below under “Additional participants”).

The maximum number of Saving Shares that a Participant, excluding the group-CEO, can allocate to LTIP 2025 amounts to a rounded number of shares corresponding to a maximum of ten (10) per cent of the Participant’s annual gross basic salary calculated on the basis of the 2025 salary level and depending on the position in the Hexatronic Group. The minimum number of Saving Shares that a Participant, excluding the group-CEO, must acquire to participate in LTIP 2025 shall correspond to a market value of at least five (5) per cent of the annual gross basic salary. The group-CEO may allocate to LTIP 2025 a maximum of Saving Shares corresponding to a maximum of twenty (20) per cent of the group-CEO’s annual gross base salary calculated on the 2025 salary level. The minimum number of Saving Shares that the group-CEO must acquire to participate in LTIP 2025 shall correspond to a market value of at least ten (10) per cent of the annual gross basic salary. For each Saving Share held within the LTIP 2025, the Company will grant Participants a Share Right, meaning the right, subject to certain conditions being met, to receive up to two, four or six Performance Shares per Share Right free of charge, depending on the position in the Hexatronic Group.

Terms and conditions

In addition to the requirement that the Participant’s employment and holding of Saving Shares shall continue throughout the Vesting Period, certain performance-based conditions linked to diluted earnings per share, Hexatronic Group growth, EBITA and certain sustainability requirements are imposed for the allotment of Performance Shares to the Participants.

The Participants are divided into three categories and LTIP 2025 will involve the allocation of the maximum number of Performance Shares per Saving Share as follows:

Position	Maximum number of Performance Shares per Saving Share
CEO and the group management team (a total of approximately 10 persons)	6
Other senior executives (a total of approximately 15 persons)	4–6
Other key employees (a total of approximately 5 persons)	2

Allotment, free of charge, of Performance Shares is, in addition to what is stated in the paragraph above, conditional on the achievement of the performance requirements set by the Board of Directors. For maximum allotment of Performance Shares, it is required that the requirements set by the Board of Directors are achieved or exceeded. The performance requirements refer to (i) diluted earnings per share for the respective financial year 2025-2027 (the “**Share Requirement**”), (ii) net sales growth for the respective financial year 2025-2027 (the “**Growth Requirement**”), (iii) EBITA for the respective financial year 2025-2027 (the “**EBITA Requirement**”), and (iv) certain sustainability requirements (the “**Sustainability Requirement**”) (collectively, the “**Performance Requirement**”), whereby the Share Requirement shall be weighted by forty (40) per cent, the Growth Requirement and EBITA

Requirement shall be weighted by twenty-five (25) per cent each, and the Sustainability Requirement shall be weighted by ten (10) per cent.

The Board of Directors shall have the right to make adjustments for extraordinary one-time costs when determining if the performance requirements have been achieved or exceeded.

If the minimum level is not reached, no Performance Shares related to the current Performance Requirement for the financial year will be vested and if the upper requirement level is reached, all Performance Shares arising from the current Performance Requirement for the financial year will be earned. In the event of an outcome between the minimum level and the upper requirement level, the earnings of the Performance Shares arising from the current Performance Requirement for the financial year will be made linearly. The final number of Performance Shares earned by each Participant shall be rounded down to the nearest whole number.

For the purpose of giving the Board of Directors the possibility to limit the costs incurred by the Company under LTIP 2025, it is proposed that the Board of Directors upon allotment of Performance Shares shall be entitled to adjust the number of Performance Shares that each individual Participant otherwise would be entitled to.

Such adjustment of the number of Performance Shares can be made in accordance with the below.

“Starting Price” = The actual closing price of the Company’s ordinary shares on Nasdaq Stockholm on 31 May 2025 (the last day during the investment period for LTIP 2025)

“Limit Price” = $4 * \text{Starting Price}$

“Final Price” = The actual closing price of the Company’s ordinary shares on Nasdaq Stockholm the trading day that occurs immediately before the resolution of allotment of Performance Shares

“Entitled Performance Shares” = The number of Performance Shares that a Participant would be entitled to without adjustment

The new number of Performance Shares shall be no more than the Entitled Performance Shares and not less than the Limit Price / Final Price * Entitled Performance Shares.

If a reduction in accordance with the formula above results in an uneven number of Performance Shares for a Participant, a rounding down shall be made.

The Share Requirement

The Share Requirement relates to the percentage development of the Company’s earnings per share after dilution during the period 1 January 2025 up to and including 31 December 2027. For each financial year during 2025-2027, the percentage development is based on the Company’s determined earnings per share after dilution compared to the previous financial year. For each financial year, a minimum level and a maximum level have been set for the allotment of Performance Shares corresponding to ten (10) per cent and sixty (60) per cent, respectively, for 2025, ten (10) per cent and thirty (30) per cent, respectively, for 2026 and ten (10) per cent and thirty (30) per cent, respectively, for 2027.

The Growth Requirement

The Growth Requirement for each financial year has been set by the Board of Directors as a percentage measure of increased sales per financial year during 2025-2027. For each financial year during 2025-2027, the percentage development is based on the Company’s increased sales compared to the Company’s established net sales previous financial year. For each requirement, a minimum level and an upper requirement level have been set

corresponding to five (5) per cent and twenty (20) per cent, respectively, for 2025, five (5) per cent and twenty (20) per cent, respectively, for 2026 and five (5) per cent and twenty (20) per cent, respectively, for 2027.

The EBITA Requirement

The EBITA Requirement for each financial year has been set by the Board of Directors as a percentage measure of increased EBITA per financial year during 2025-2027. For each financial year during 2025-2027, the percentage development is based on the Company's increased EBITA compared to the Company's established EBITA for the previous financial year. For each requirement, a weighted minimum level has been set for each financial year, which for the financial year 2025 corresponds to ten (10) per cent and a weighted upper requirement level of fourteen (14) per cent, respectively, and which for the financial years 2026 and 2027 corresponds to ten (10) per cent and a weighted upper requirement level of sixteen (16) per cent, respectively.

The Sustainability Requirement

The Sustainability Requirement for each financial year has been set by the Board of Directors as percentage measure of (i) reduced Scope 1 and Scope 2 emissions compared to the financial year 2024, and (ii) the share of purchased volume from sustainability approved suppliers. For each requirement, a minimum level and an upper requirement level has been set for each financial year. Regarding (i) above, for the financial year 2025 the minimum level has been set to a reduction of fourteen (14) per cent and the upper requirement level to a reduction of sixteen (16) per cent, for the financial year 2026 the minimum level has been set to a reduction of nineteen (19) per cent and the upper requirement level to a reduction of twenty-one (21) per cent, and for the financial year 2027 the minimum level has been set to a reduction of twenty-four (24) per cent and the upper requirement level to a reduction of twenty-six (26) per cent. Regarding (ii) above, for the financial year 2025 the minimum level has been set to forty (40) per cent and the upper requirement level to fifty (50) per cent, for the financial year 2026 the minimum level has been set to forty-five (45) per cent and the upper requirement level to fifty-five (55) per cent, and for the financial year 2027 the minimum level has been set to fifty (50) per cent and the upper requirement level to sixty (60) per cent.

Terms and conditions of the Share Rights

In addition to what is stated above, the following conditions shall apply to the Share Rights under LTIP 2025:

- (a) The Participant must acquire the Saving Shares prior to the beginning of the Vesting Period or, in the case of subsequent additional Participants, at the time determined by the Company's Remuneration Committee.
- (b) The Share Rights are vested during the Vesting Period or, in the case of subsequent additional Participants, proportionately, rounded down, calculated linearly on a full-year basis depending on when the additional Participant joins LTIP 2025.
- (c) The Share Rights cannot be transferred or pledged.
- (d) Each Share Right entitles the Participant, under certain conditions, to receive up to six (6) Performance Shares free of charge, depending on the position within the Hexatronic Group (*see more on this above under "Terms and Conditions"*), after the end of the Vesting Period, provided that, subject to certain exceptions, the Participant has been employed in the Hexatronic Group during the Vesting Period and retains his or her original Saving Shares in the Company.

Additional participants

In the event that a Participant, following a resolution by the Company's Remuneration Committee, is added after 31 May 2025, when calculating the maximum number of Saving Shares that the Participant may acquire, the Participant's annual gross basic salary at the current time and a share price corresponding to the average of the average volume-weighted purchase price of the Company's share on Nasdaq Stockholm during a period of ten trading days after the announcement of the quarterly report for the Company that is published immediately before the decision to allow the additional Participant to participate, rounded to the nearest SEK 0.10.

For Saving Shares held by additional Participants within the LTIP 2025, the Company will award Share Rights proportionately, rounded down, calculated linearly on a full-year basis depending on when the additional Participant joins LTIP 2025. Additional Participants will be allotted Performance Shares no earlier than three (3) years after the Participant entered into an agreement to join LTIP 2025.

Allotment of Performance Shares

In order to be able to complete LTIP 2025 in a cost-effective and flexible manner, the Board of Directors proposes that the Annual General Meeting resolves, in accordance with item B below, that the Company's commitments for delivery of and costs attributable to Performance Shares are primarily secured through a directed issue of a maximum of 1,130,007 shares of series C to Danske Bank A/S, Danske Bank filial Sverige (the "**Bank**"), of which a maximum of 270,163 shares of series C may be issued to cover any social security contributions, with subsequent repurchases and conversion into ordinary shares and decisions on the transfer of own ordinary shares to the CEO and the management team, other senior executives and other key employees within the Hexatronic Group.

The Board of Directors proposes that the Annual General Meeting resolves that a maximum of 859,844 ordinary shares may be transferred to Participants in accordance with LTIP 2025 and that a maximum of 270,163 ordinary shares may be transferred on the market to secure social security contributions in connection with LTIP 2025 ("**Hedging Shares**").

Costs for LTIP 2025

Costs for LTIP 2025 are calculated in accordance with IFRS2 and are reported over the income statement.

The cost is reported linearly over the Vesting Period.

Based on the assumptions that LTIP 2025 will be fully subscribed by thirty (30) Participants, that all of these invest the maximum amount allowed in Saving Shares in LTIP 2025, that the share price amounts to SEK thirty-five (35) at the time of investment, and that all Saving Shares remain at LTIP 2025's end, this means a total cost for LTIP 2025 of approximately SEK 38,9 million, provided that the Performance Requirements are fully achieved.

The above amount also includes social security contributions, which are currently payable at a nominal rate of 31.42 per cent. With an assumed share price at LTIP 2025's end of SEK seventy (70) and otherwise with conditions as above, the social security contributions are estimated to amount to approximately SEK 15 million (including tax related effects), provided that the Performance Requirements are fully achieved.

If the Performance Requirements are achieved so that half of the Performance Shares are allocated to the Participants, the corresponding total cost is estimated to amount to SEK 17,6 million. LTIP 2025 has no limit on maximum profit for Participants and therefore no maximum cost of social security contributions can be calculated. However, the Board of Directors has the possibility to limit the costs incurred by the Company under LTIP 2025, through the right to adjust the number of Performance Shares that each individual

Participant otherwise would be entitled to upon allotment of Performance Shares, as set forth above.

Effects on key performance indicators and dilution

LTIP 2025 is expected to comprise a maximum of 859,844 Performance Shares and 270,163 Hedging Shares for social security contributions, excluding the Saving Shares, corresponding to approximately 0.54 per cent of the Company's total number of outstanding shares after full exercise of ongoing and now resolved incentive programmes.

Outstanding rights to shares under previous long-term incentive programmes and the proposed long-term incentive programme amount to approximately 2.28 per cent of the Company's total number of outstanding shares upon full exercise.

Ongoing incentive programmes including LTIP 2025 are expected to have only marginal impact on significant key performance indicators.

Additional ongoing share-based incentive programmes

For a description of the Company's ongoing long-term incentive programmes, please refer to the Annual Report for the financial year 2024 which will be available on the Company's website, <https://group.hexatronic.com/>.

Preparation of the proposal and subsequent adjustments

LTIP 2025 has been prepared by the Board of Directors in consultation with the Remuneration Committee and external advisers.

The Board of Directors or a special committee set up by the Board of Directors shall be responsible for the detailed design and management of the terms and conditions for LTIP 2025, in accordance with the above-mentioned terms and conditions including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue and/or other similar events. In connection therewith, the Board of Directors shall have the right to make adjustments to meet specific market conditions. The Board of Directors shall also have the right to make other adjustments for extraordinary one-time costs when determining if the performance requirements have been achieved or exceeded and if there are significant changes in the Hexatronic Group or its operating environment that would result in the decided terms of the LTIP 2025 no longer fulfilling its purposes.

Directed issue of convertible shares of series C, authorisation for the Board of Directors to resolve on the repurchase of all issued redeemable and convertible shares of series C, and transfer of own ordinary shares to Participants in accordance with LTIP 2025

In order to be able to carry out LTIP 2025 in a cost-effective and flexible manner, the Board of Directors proposes that the Company's commitments for delivery of and costs attributable to Performance Shares be secured primarily through a directed issue of convertible shares of series C, with subsequent repurchases and conversion into ordinary shares and resolution on the transfer of own ordinary shares to Participants, as set out in [Appendix A](#).

The reasons for the deviation from the shareholders' preferential rights in the proposed new issue of shares of series C and the purpose of the proposed repurchase authorisation are to ensure delivery of shares to the Participants in accordance with LTIP 2025 and to cover any social security contributions due to LTIP 2025.

Majority requirements and special authorisations

The Board of Directors' proposal for resolutions in accordance with A – B above constitute a package, as the various proposals are dependent on and strongly linked to each other. Therefore, it is proposed that the Annual General Meeting make a single resolution in connection with the abovementioned proposals, in compliance with the majority requirement specified in Chapter 16, Section 8 of the Swedish Companies Act, meaning that the resolution shall be supported by shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

The Board of Directors proposes that the Annual General Meeting instructs the Board of Directors to implement the resolution above and to ensure that the Board of Directors transfers the Performance Shares in accordance with what is stated above. The Board further proposes that the Annual General Meeting instructs the Board, or whomever the Board appoints, to make such minor adjustments in the abovementioned proposed resolutions that may prove necessary in connection with registration with the Swedish Companies Registration Office.

Gothenburg in April 2025

Hexatronic Group AB (publ)

The Board of Directors

The Board of Directors' of Hexatronic Group AB (publ) proposal for a resolution on a directed issue of convertible shares of series C, authorisation for the Board of Directors to resolve on the repurchase of all issued shares of series C, and approval of the transfer of own ordinary shares to participants

The Board of Directors proposes that the Annual General Meeting resolves to issue not more than 1,130,007 class C shares, as a result of which the Company's share capital may increase by a maximum of SEK 11,300.77. The following conditions shall apply.

1. The right to subscribe for the shares shall, with deviation from the shareholders' preferential rights, vest with Danske Bank A/S, Danske Bank filial Sverige.
2. Subscription of shares shall be made on the subscription list no later than 30 June 2025, with the right for the Board of Directors to extend the subscription period.
3. For each subscribed share, SEK 0.01 shall be paid, in total no more than SEK 11,300.77, which corresponds to the quota value of the shares. Payment shall be made in cash when subscribing for the shares, with the right for the Board of Directors to extend the time for payment.
4. The new class C shares shall be entitled to one-tenth (1/10) vote and shall not be eligible for dividends.

The new class C shares shall be subject to reservations in accordance with Chapter 4, Section 6 (conversion reservation) of the Swedish Companies Act (2005:551).

The Board of Directors also proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the next Annual General Meeting, on one or more occasions, to decide on the repurchase of own shares of series C. Repurchases may only be made through an acquisition offer directed to all owners of class C shares and shall include all outstanding shares of series C. Acquisitions shall be made at a price corresponding to the share's quota value and payment shall be made in cash. The Board of Directors shall have the right to determine other terms and conditions for the repurchase. The reasons for the deviation from the shareholders' preferential rights in the proposed new issue of class C shares and the purpose of the proposed repurchase authorisation are to ensure delivery of shares to the participants in accordance with LTIP 2025 and to cover any social security contributions due to LTIP 2025.

The Board of Directors further proposes that the Annual General Meeting resolves that class C shares that the Company acquires pursuant to the repurchase authorisation, in accordance with the above, after conversion into ordinary shares, may be transferred to the participants in LTIP 2025 or transferred on Nasdaq Stockholm, at a price within the registered price interval of the Company's ordinary shares on Nasdaq Stockholm at any given time, to cover any social security contributions due to the incentive programme.

The number of shares that can be transferred is subject to recalculation as a result of an in-between bonus issue, share split, rights issue and/or other similar events. The Board of Directors' opinion according to Chapter 19, Section 22 of the Companies Act is available together with the proposal.



Furthermore, it is proposed that the Board of Directors, or whoever the Board of Directors appoints, be authorized to make any minor adjustments to the resolution that are required for registration with the Swedish Companies Registration Office.